



Commonwealth of Virginia  
Virginia Information Technologies Agency

**MICROSOFT LARGE ACCOUNT RESELLER (LAR) – MICROSOFT PRODUCTS & ONLINE SERVICES**

**Optional Use Contract**

Date: September 17, 2007

Contract #: VA-070907-SHI

Authorized User: State Agencies, Institutions, and other Public Bodies  
as defined in the VPPA

Contractor: Software House International  
2 Riverview Drive  
Somerset, NJ 08873  
Phone: 800-527-6389

FIN: 33-0964088

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FOB: Destination

Delivery: Set in Individual Orders

Term: October 7, 2007 – October 6, 2010

Payment: Net 30 days

For Additional Contract Information, Please Contact:

Virginia Information Technologies Agency  
Supply Chain Management Division

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NOTES: Individual Commonwealth of Virginia employees are not authorized to purchase equipment or services for their personal use from this Contract.

For updates, please visit our Website at <http://www.vita.virginia.gov/procurement/contracts.cfm>

**VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA):** Prior review and approval by VITA for purchases in excess of \$100,000.00 is required for State Agencies and Institutions only.

CONTRACT # VA-070907-SHI  
CONTRACT CHANGE LOG

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## MICROSOFT RESELLER CONTRACT

THIS MICROSOFT RESELLER CONTRACT ("Contract") is entered into by and between the Virginia Information Technologies Agency (VITA) pursuant to §2.2-2012 of the Code of Virginia and on behalf of the Commonwealth of Virginia, (hereinafter referred to as "VITA") and SOFTWARE HOUSE INTERNATIONAL (Contractor) to be effective as of OCT. 4, 2004 (Effective Date).

### 1. PURPOSE AND SCOPE

This Contract sets forth the terms and conditions under which Contractor agrees to sell Microsoft Products and Online Services, including but not limited to Licenses and Software Assurance, and to provide various Reseller Services to VITA and the Authorized Users. Microsoft Products are to be licensed directly from Microsoft, and Microsoft shall be responsible for hosting Microsoft Online Services.

### 2. DEFINITIONS

#### A. Agent

Any third party independent agent of VITA or the Authorized User.

#### B. Agreement

Any of the Commonwealth's current Microsoft Software License Agreements, or any software license agreement which Microsoft and the Commonwealth may execute in the future. Exhibit A shall contain a list of all active Agreements for which Contractor is to provide Reseller Services pursuant to this Contract. Notice to Contractor of any such future agreement(s) will be provided by VITA.

#### C. Authorized Users

All Public Bodies, including VITA and all Commonwealth agencies, as defined by §2.2-4301 and referenced by §2.2-4304 of the Code of Virginia, and which may be considered "affiliates" (or a successor term used by Microsoft to identify those entities authorized to license products through an Agreement) pursuant to the Agreements. [Note to vendor: The Commonwealth's current agreements with Microsoft define "affiliate" to mean "any government agency, department, instrumentality, division, unit or other office that is supervised by or is part of you [the Commonwealth], or which supervises you or of which you are a part together with, as mandated by law, any county, borough, Commonwealth, city, municipality, town, township, special purpose district or other similar type of governmental instrumentality located within your jurisdiction and geographic boundaries, provided that a state and its affiliates shall not, for purposes of this definition, be considered to be affiliates of the federal government and its affiliates."]

#### D. Computer Virus

Any malicious code, program, or other internal component (e.g., computer virus, computer worm, computer time bomb, or similar component), which could damage, destroy, alter or disrupt any computer program, firmware, or hardware or which could, in any manner, reveal, damage, destroy, alter or disrupt any data or other information accessed through or processed by such software in any manner.

#### E. Confidential Information

Any confidential or proprietary information of a party that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to the other party in connection with or as a result of discussions related to this Contract, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary", (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing party, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing party.

#### F. Contractor

Includes any authorized Microsoft reseller(s) who provide Microsoft Products and Online Services and/or Reseller Services under this Contract.



**G. Microsoft**

Microsoft Corporation, the licensor of the Products and provider of the Online Services sold by Contractor under this Contract.

**H. Microsoft Products and Online Services**

The programs and code, and any subsequent releases, offered and licensed by Microsoft pursuant to the Agreements and provided by Contractor, as an authorized Microsoft reseller, under this Contract.

**I. Reseller Services**

Any services provided by Contractor under this Contract, including but not limited to servicing the Agreement(s) and managing orders for Microsoft Products and Online Services, as such services are described in Exhibit B. Development and maintenance of any website pursuant to this Contract shall be considered a Reseller Service.

**J. VITA**

Virginia Information Technologies Agency, an agency of the Commonwealth of Virginia pursuant to Chapter 20.1 (§§2.2-2005 et seq.) of the Code of Virginia.

**K. Warranty Period**

The Warranty Period defined in Microsoft's standard warranty.

**3. TERM AND TERMINATION**

**A. Contract Term**

This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding for a period of three (3) years. This Contract may be extended by VITA, at its sole discretion, for up to three (3) additional one (1) year periods after the expiration of the initial three (3) year period. VITA will issue a written notification to the Contractor stating the extension period, at least thirty (30) days prior to the expiration of any current term.

**B. Service Commencement Date (SCD)**

Upon execution of the Contract, the Contractor shall be required to execute, with VITA, for each Agreement identified in Exhibit A, Microsoft's Change in Channel Partnership (COCP) form, which shall be submitted to Microsoft. VITA shall notify Contractor in writing upon receipt of confirmation from Microsoft that the Contractor may begin providing Reseller Services to VITA and all Authorized Users for each such Agreement. Contractor shall promptly begin delivery of Reseller Services for each such Agreement to VITA and all Authorized Users, upon receipt of said notice, or at such other date as may be requested by VITA (Service Commencement Date).

This procedure shall be repeated for any future Agreement which may be added by VITA to Exhibit A.

**C. Termination for Convenience**

VITA may terminate for convenience this Contract, in whole or in part, or any order issued hereunder, in whole or in part, or an Authorized User may terminate for convenience an order, in whole or in part, upon not less than sixty (60) days prior written notice at any time for any reason. Contractor shall submit any contractual dispute to VITA or the terminating Authorized User for resolution according to the terms of the Dispute Resolution Section of this Contract. Upon termination, the Commonwealth shall have no future liability except for Microsoft Products and Online Services accepted prior to the termination date.

**D. Termination for Breach or Default**

VITA shall have the right to terminate this Contract, in whole or in part, or any order issued hereunder, in whole or in part, or an Authorized User may terminate an order, in whole or in part, for breach and/or default ("Termination for Breach" or "Termination for Default"). Contractor shall be deemed in breach and/or default in the event that any one or more of the following events occurs or continues during the term of the Contract or the term of the order, as applicable:



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- i). Contractor fails to deliver the Microsoft Products and Online Services or provide the Reseller Services required by this Contract or any order issued hereunder by the specified delivery date or in accordance with the timeliness standards set forth in Exhibit B;
  - ii). Contractor repeatedly fails to respond to requests for correction of deficiency(ies) or other services within the time limits set forth in the Contract or any order issued hereunder;
  - iii). Contractor is in breach and/or default of any of the other terms set forth within this Contract; or
  - iv). Contractor fails for any period of time to maintain its status as a Microsoft Authorized North American Government Large Account Reseller (LAR).
  - v). Contractor fails to notify VITA and all Authorized Users that it is no longer a Microsoft Authorized North American Government LAR.
  - vi). Contractor is placed on any of the Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs.
  - vii). Contractor is found by a court of competent jurisdiction to be in violation of or to have violated 31 USC 1352.

If VITA or an Authorized User deems the Contractor to be in breach and/or default, VITA or the Authorized User shall issue a "Show Cause Notice" identifying the failure/nonperformance and providing Contractor fifteen (15) days to cure the failure/nonperformance; however, with respect to items (iv), (v), and (vi) above, VITA reserves the right to terminate the Contract for breach and/or default immediately and without affording Contractor an opportunity to cure the failure. Contractor shall provide prompt written notice to VITA if federal debarment proceedings are instituted against Contractor or if Contractor is charged with violation of 31 USC 1352.

If Contractor fails to answer the Show Cause Notice, or does not correct the deficiencies noted, VITA may immediately terminate this Contract or any order issued hereunder, in whole or in part, or the Authorized User may immediately terminate its order, in whole or in part. Such termination shall be deemed a Termination for Breach or Termination for Default.

Contractor agrees that if this Contract is terminated by VITA for breach and/or default, Contractor shall immediately provide to Microsoft, with a certified copy to VITA, permission to immediately rescind its status as the reseller of record for VITA and all Authorized Users. Further, if termination for breach and/or default results in any Authorized User's inability to make scheduled payments or to place orders for Microsoft Products installed by such Authorized User, Contractor shall reimburse such Authorized User for any penalties or additional costs incurred in licensing Microsoft Products installed by such Authorized User but not ordered due to the termination and in re-licensing Microsoft Products for which scheduled payments had not been made or for which Software Assurance could not be obtained or renewed.

Upon Termination for Breach or Termination for Default, neither the Commonwealth, nor VITA, nor any Authorized User shall have any future liability except for Microsoft Products and Online Services provided by Contractor prior to the termination date. Contractor shall accept return, if applicable, of any Microsoft Product that was not accepted by the Authorized User(s), and Contractor shall refund any monies paid by any Authorized User for such Microsoft Product. All costs of de-installation and return of Microsoft Products shall be borne by Contractor.

The failure of VITA or an Authorized User to exercise its right to terminate for breach and/or default under this provision shall not be construed as a waiver of its right to terminate for breach and/or default, rescind or revoke this Contract or any order issued hereunder in the event of any subsequent default on any provisions of such agreements.

Contractor shall submit any contractual dispute to VITA or the terminating Authorized User for resolution according to the terms of the Dispute Resolution Section of this Contract.

#### **E. Transition of Services**

Prior to or upon expiration or termination of this Contract, Contractor shall provide all assistance as VITA may reasonably require, without an additional fee, to transition Reseller Services to any other supplier with whom VITA contracts for provision of Microsoft Products and Online Services



and Reseller Services. This obligation may extend beyond expiration or termination of the Contract.

The terms of this Section shall not apply to termination for non-appropriation of funds.

#### **4. LICENSE**

##### **A. License Grant**

Microsoft Products are to be licensed directly to the Authorized User by Microsoft through the Agreements between VITA and Microsoft.

##### **B. License Type**

The license types for the Microsoft Products to be provided by Contractor are defined in the Agreements.

Nothing contained herein shall be construed to restrict or limit the rights of VITA or any Authorized User to use any technical data which VITA or such Authorized User may already possess or acquire under proper authorization from other sources. Compliance with the terms and conditions of any license granted pursuant to this Contract is solely the responsibility of the Authorized User to which such license is granted and not the responsibility of VITA, unless VITA is the licensee.

#### **5. RESELLER SERVICES**

Contractor shall perform the Reseller Services described in Exhibit B beginning on the Service Commencement Date with respect to each Agreement identified in Exhibit A and continuing until expiration or termination of the Contract or expiration or termination of the applicable Agreement. VITA and Contractor acknowledge that Contractor's compensation for performance of Reseller Services shall be in the form of the difference, if any, between the price paid by an Authorized User to Contractor for Microsoft Products and Online Services and the price paid by Contractor to Microsoft for such Microsoft Products and Online Services. Neither VITA nor any Authorized User shall be responsible to pay any other fees or charges for Reseller Services.

Notwithstanding all VITA's and Authorized User's rights to order Contractor's products or services under this Contract, neither VITA nor the Authorized User is under any obligation to order from Contractor any of Contractor's products or services. This Contract is optional use and non-exclusive and the VITA or the Authorized User may, at its sole discretion, purchase, license or otherwise receive benefits from third party suppliers of products and services similar to, or in competition with, the products and services provided by Contractor. Addition of any Agreement to or deletion of any Agreement from Exhibit A shall be at the sole discretion of VITA. VITA reserves the right to have a different Microsoft reseller for each of its Agreements. Notwithstanding the foregoing, VITA shall comply with all its responsibilities with regard to selecting a Microsoft reseller as such responsibilities are set forth in the Agreements.

##### **A. Internet Access to Contract and Pricing Information**

Contractor agrees that VITA, at its sole discretion, may post the terms and conditions of this Contract, any and all Exhibits to this Contract, and Contract pricing and available discounts to the VITA website.

[Note to Contractor: In addition to the Reseller Services described in Exhibit B, it is requested, but not required, by VITA that Contractor maintain a website specific to this Contract and available to VITA and all Authorized Users, regardless of whether an Authorized Users have placed an order pursuant to this Contract. Should Contractor agree to maintain such website, the following items shall apply:]

##### **1. Contractor Website**

Contractor will maintain a website specific to the Microsoft Product and Online Service offerings under the Contract which is clearly distinguishable from other, non-Commonwealth contract offerings at Contractor's website. The website should include: the Microsoft Products and Online Services offered, specifications for the Microsoft Products and Online Services,



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discounted Contract pricing, all available discounts, contact information for Contractor, instructions for obtaining quotes and placing orders, and Microsoft's warranty and return policies pursuant to the Agreements. The Contractor's website should also list this Contract number.

**2. Accurate and Timely Contract Information**

Contractor warrants and represents that the website information specified in the above section will be accurately and completely posted, maintained and displayed in an objective and timely manner. Contractor, at its own expense, shall correct any non-conforming or inaccurate information posted at Contractor's website within ten (10) days after written notification by VITA.

**3. Website Compliance Checks**

Periodic compliance checks of the information posted for the Contract on Contractor's website may be conducted by VITA. Upon request by VITA, Contractor shall provide verifiable documentation that pricing listed upon this website is uniform with the pricing as stated in the Fees and Charges section herein.

**4. Website Changes**

Contractor hereby consents to a link from the VITA website to Contractor's website in order to facilitate access to Contract information. The establishment of the link is provided solely for convenience in carrying out the business operations of VITA and the Authorized Users. VITA reserves the right to terminate or remove a link at any time, in its sole discretion, without advance notice, or to deny a future request for a link. Contractor shall provide VITA and all Authorized Users with timely written notice of any change in URL or other information needed to access the site and/or maintain the link.

**5. Use of Access Data Prohibited**

If Contractor electronically stores, collects or maintains data from any Authorized User as a condition of accessing Contract information, such data shall be considered Confidential Information, in accordance with the Confidentiality provisions of this Contract, shall only be used internally by Contractor for the purpose of implementing or marketing the Contract, and shall not be disseminated to third parties or used for other marketing purposes. The Contract constitutes a public document under the laws of the Commonwealth and Contractor shall not restrict access to Contract terms and conditions including pricing, e.g., through use of restrictive technology or passwords.

**6. Responsibility for Content**

Contractor is solely responsible for administration, content, management of intellectual property rights, and all materials at Contractor's website. VITA reserves the right to require a change of listed content if, in the opinion of VITA, it does not adequately represent the Contract or Contract pricing.

**B. Order Processing**

Contractor is required to accept any order for Microsoft Products and Online Services placed by an Authorized User through the eVA electronic procurement website portal (<http://www.eva.state.va.us>). eVA is the Commonwealth of Virginia's e-procurement system. State agencies, as defined in §2.2-2006 of the Code of Virginia, shall order through eVA. All other Authorized Users are encouraged to order through eVA, but may order through the following means:

- i). Purchase Order (PO): An official PO form issued by an Authorized User.
- ii). Any other order/payment charge or credit card process, such as AMEX, MASTERCARD, or VISA under contract for use by an Authorized User.

This ordering authority is limited to issuing orders for the Microsoft Products and Online Services available under this Contract and pursuant to the Agreements. Under no circumstances shall the Authorized User have the authority to modify this Contract.



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Upon receipt of an order from an Authorized User for Microsoft Products and Online Services, Contractor shall promptly place such order with Microsoft in accordance with the procedures described in Exhibit B. Failure of Contractor to place such order within five (5) days shall be a material default of this Contract, and VITA or the affected Authorized User may exercise its rights pursuant to the Term and Termination section of this Contract. Contractor shall provide to Authorized User sixty (60) days advance notice of any scheduled payment or expiration of any Microsoft Software Assurance. For notices related to expiration of Software Assurance, Contractor shall include a report detailing the ordering or using entity (e.g., the Authorized User department which has licensed the Microsoft Product) and a price quote to renew Software Assurance, should Authorized User elect.

Notwithstanding the foregoing, Contractor shall not accept any order from an Authorized User if such order is to be funded, in whole or in part, by federal funds and if, at the time the order is placed, Contractor is not eligible to be the recipient of federal funds as may be noted on any of the Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs. In addition, Contractor shall not provide Microsoft Products or Online Services to an Authorized User if Contractor has knowledge, or has reason to believe, that such Microsoft Products or Online Services are to be used outside of the United States unless such Authorized User can demonstrate the consent of Microsoft to use of such Microsoft Products or Online Services outside of the United States. If in such event Contractor does not provide such Microsoft Products or Online Services, Contractor shall provide written notice of its reason to the Authorized User and to VITA.

#### **C. Fees and Charges**

As consideration for the Microsoft Products and Online Services provided hereunder, the Authorized User shall pay Contractor the associated Microsoft reference price (for Enterprise Agreement) and/or Estimated Retail Price (for Select Agreement) less the percentage discount(s) set forth in Exhibit C. The percentage discount(s), or greater discount(s), shall be applicable throughout the term of this Contract, including any extensions thereto. The Contractor may offer promotional discounts higher than the percentage discount set forth in Exhibit C, provided Contractor offers such promotional discounts to all Authorized Users and provides VITA with advance written notice of such promotional discounts. Contractor shall be solely responsible for payment to Microsoft of any and all fees for Microsoft Products and Online Services.

#### **D. Invoice Procedures**

Contractor shall remit each invoice to the "bill to" address provided with the order promptly after all Microsoft Products or Online Services have been provided to the appropriate Authorized User. Payment for Software Assurance shall be annually in advance unless otherwise stated in the Agreements, an Authorized User's enrollment, or in any order referencing this Contract. No invoice shall include any costs other than those identified on the Microsoft price list in effect at the time of order placement, less the discount set forth in Exhibit C or any additional promotional discount which may be offered by the Contractor in accordance with the Fees and Charges section of this Contract. Without limiting the foregoing, all shipping costs are the Contractor's responsibility except to the extent such charges are identified in Exhibit C, or as noted in any executed order referencing this Contract. Invoices issued by the Contractor shall identify at a minimum:

- i). Software or Service type and description
- ii). Quantity, charge (Microsoft reference price (for Enterprise Agreement) and/or Estimated Retail Price (for Select Agreement)), extended pricing, and discounted pricing for each Microsoft Product or Online Service item
- iii). Applicable order date
- iv). This Contract number and the applicable order number
- v). Contractor's purchase order number to Microsoft
- vi). Contractor's Federal Employer Identification Number (FEIN).



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**ALL CONTRACTUAL OBLIGATIONS UNDER THIS CONTRACT IN CONNECTION WITH AN ORDER PLACED BY ANY AUTHORIZED USER ARE THE SOLE OBLIGATION OF SUCH AUTHORIZED USER AND NOT THE RESPONSIBILITY OF VITA UNLESS SUCH AUTHORIZED USER IS VITA.**

**E. Purchase Payment Terms**

All payment obligations under this Contract are subject to the availability of legislative appropriations at the federal, state, or local level, for this purpose. In the event of non-appropriation of funds, irrespective of the source of funds, for the items under this Contract, VITA may terminate this Contract, in whole or in part, or any order, in whole or in part, or the Authorized User may terminate an order, in whole or in part, for those goods or services for which funds have not been appropriated. Written notice will be provided to the Contractor as soon as possible after legislative action is completed.

Contractor is responsible for the accuracy of its billing information. Any credits due any Authorized User under the terms of this Contract may be applied against Contractor's invoices to such Authorized User with appropriate information attached. Charges for Microsoft Products and Online Services provided more than ninety (90) days prior to receipt of a valid invoice may not be paid. Such nonpayment by an Authorized User shall not release Contractor from its obligation to remit payment to Microsoft for such Microsoft Products and Online Services.

If there are any disputed items, the Authorized User shall pay all undisputed charges and promptly notify Contractor in writing of any disputed amount. Contractor shall thereupon review its records, and, if it does not concur with the Authorized User, provide the Authorized User with documentation to support the charge. Notwithstanding any dispute regarding an invoice to any Authorized User, or any portion of such invoice, Contractor shall in all circumstances promptly remit payment any payment due Microsoft for the Microsoft Products and Online Services provided to such Authorized User.

All payment terms are net 30 days after Microsoft Products and Online Services have been provided and the Authorized User has received a valid invoice issued by Contractor.

**F. Contractor's Report of Sales and Industrial Funding Adjustment**

By the 10th day of every month, the Contractor shall submit the "Supplier Monthly Report of Sales". A template showing the format in which the report is to be submitted is available at <http://www.vita.virginia.gov/procurement/supplierResources.cfm>. The report shall be submitted via electronic mail to the VITA IFA Coordinator and the VITA Controller (contact information provided below), and shall report all invoices submitted by Contractor pursuant to the Contract to all Authorized Users during the preceding month. The report shall also show a cumulative record of all invoices submitted to all Authorized Users pursuant to the Contract.

The Contractor shall submit the Industrial Funding Adjustment (IFA) payment for the period covered by such "Supplier Monthly Report of Sales" within thirty (30) days of submitting the "Supplier Monthly Report of Sales". The IFA payment shall be submitted in the form of a check or electronic funds disbursement made payable to the Treasurer of Virginia. The IFA payment is equal to two percent (2%) of total sales under this Contract during the relevant month, as determined by the amount invoiced to Authorized Users. The IFA payment shall reference this Contract number, "report amounts", and "report period".

Contractor shall remit IFA payments made via check to VITA, Attention VITA Controller. Contractor shall also provide a copy of the IFA payment to the VITA IFA Coordinator via email or fax. Failure to comply with reporting and payment requirements of this section may result in default of Contract.

Contact information for the VITA Controller and the VITA IFA Coordinator submission of the Supplier Monthly Report of Sales and the IFA payment, as applicable, is available at <http://www.vita.virginia.gov/procurement/supplierResources.cfm> under "Supplier Reporting".



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**G. Small, Woman, and Minority-Owned Business (SWaM) Subcontracting Report**

By the 10th day of every month, Contractor shall submit to VITA the Small, Woman, and Minority Owned Business (SWaM) Subcontracting Monthly Report (template available at <http://www.vita.virginia.gov/procurement/supplierResources.cfm>). Contractor's report should include spend on all Contractor's contracts with second-tier suppliers which provide products or services under this Contract. The report should specify the amount of such spend provided to SWaM vendors, by SWaM category, regardless of such SWaM vendors' certification status. Contractor shall submit the report to [SWaM@vita.virginia.gov](mailto:SWaM@vita.virginia.gov).

**6. CONTRACTOR PERSONNEL**

**A. Selection and Management of Contractor Personnel**

Contractor shall be solely responsible for the conduct of its employees, agents, and subcontractors and shall ensure that such employees, agents, and subcontractors comply with the then-current site security, information security and personnel conduct rules of VITA or the appropriate Authorized User, as well as applicable federal, state and local laws and regulations, including those related to imports and exports. VITA or the Authorized User shall have the right to require the immediate removal from its premises of any employee, subcontractor or agent of Contractor whom such Authorized User believes has failed to comply or whose conduct or behavior is unacceptable or unprofessional or results in a security or safety breach.

**B. Contractor Personnel Supervision**

Contractor and VITA acknowledge that Contractor shall be and is the sole employer of Contractor personnel, and shall have sole responsibility to supervise, counsel, discipline, review, evaluate, set the pay rates of and terminate the employment of Contractor personnel.

**7. DELIVERY, INSTALLATION, TESTING, AND CURE PERIOD**

**A. Scheduling**

Contractor shall provide the Microsoft Products and Online Services according to the due dates set forth on the appropriate order. Contractor shall perform the Reseller Services in accordance with the requirements set forth in Exhibit B.

**B. Installation of Microsoft Products**

The Authorized User shall be responsible for installation of the Microsoft Products, which shall be deemed to be installed when all programs, program libraries and user interfaces are copied to and initialized on the appropriate equipment as executable by having the Authorized User invoke the primary function of each major component of the Software.

**8. GENERAL WARRANTY**

Contractor warrants and represents to VITA the Microsoft Products and Online Services and the Reseller Services described in Exhibit B as follows:

**A. Ownership**

Contractor has the right to provide the Microsoft Products and Online Services to the Authorized User. Additionally, Contractor has the right to provide the Reseller Services to VITA and the Authorized User.

**B. Performance of Reseller Services**

- i). All Reseller Services shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in Contractor's profession, and in accordance with the standards of performance set forth in Contractor's agreement with Microsoft to serve as a Large Account Reseller. Contractor shall be responsible for the professional quality, technical accuracy, completeness and coordination of all Reseller Services furnished under this Contract;
- ii). The Reseller Services shall meet or exceed the requirements set forth in Exhibit B;



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iii). The Reseller Services shall be performed in a professional manner.

**C. Limited Warranty**

At any time during the applicable limited warranty period, Contractor shall provide any assistance requested by an Authorized User in exercising its rights pursuant to Microsoft's limited warranty.

**D. Malicious Code**

Should Contractor provide a website, as described in the Internet Access to Contract and Pricing Information section of this Contract, Contractor represents and warrants that it has used its best efforts through quality assurance procedures to ensure that there are no Computer Viruses or undocumented features in the web application. Contractor agrees the Authorized User may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including injunctive or other equitable relief.

**E. Contractor's Viability**

Contractor warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Contractor has no constructive or actual knowledge of a potential legal proceeding being brought against Contractor that could materially adversely affect performance of this Contract and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

**THE OBLIGATIONS OF CONTRACTOR UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. CONTRACTOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.**

**9. CONFIDENTIALITY**

**A. Treatment and Protection**

Each party agrees to (i) hold in strict confidence all Confidential Information of the other party, (ii) use the Confidential Information solely to perform or to exercise its rights under this Contract, and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third-party. However, VITA or the Authorized User may disclose the Confidential Information as delivered by Contractor to subcontractors, contractors or agents of the Authorized User that are bound by a non-disclosure contract with VITA or the Authorized User. Each party shall take the same measures to protect against the disclosure or use of the Confidential Information as it takes to protect its own proprietary or confidential information (but in no event shall such measures be less than reasonable care).

**B. Exclusions**

The term "Confidential Information" shall not include information that is:

- i). in the public domain through no fault of the receiving party or of any other person or entity that is similarly contractually or otherwise obligated;
- ii). obtained independently from a third-party without an obligation of confidentiality to the disclosing party and without breach of this Contract;
- iii). developed independently by the receiving party without reference to the Confidential Information of the other party; or
- iv). required to be disclosed under The Virginia Freedom of Information Act (§§2.2-3700 et seq. of the Code of Virginia) or similar laws or pursuant to a court order.

**C. Return or Destruction**

Upon the termination or expiration of this Contract or upon the earlier request of the disclosing party, the receiving party shall (i) at its own expense, (a) promptly return to the disclosing party all tangible Confidential Information (and all copies thereof except the record required by law) of the disclosing party, or (b) upon written request from the disclosing party, destroy such Confidential Information and provide the disclosing party with written certification of such destruction, and



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(ii) cease all further use of the other party's Confidential Information, whether in tangible or intangible form.

#### **10. LIABILITY AND INDEMNIFICATION**

Contractor agrees to indemnify, defend and hold harmless VITA, any Authorized User, their officers, directors, agents and employees ("Commonwealth's Indemnified Parties") from and against any and all third party claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, fines, judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"), incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful conduct or negligence of any employee, agent, or subcontractor of Contractor, (ii) any act or omission of any employee, agent, or subcontractor of Contractor, (iii) breach of any representation, warranty or covenant of Contractor contained herein, (iv) any defect in the Reseller Services, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Reseller Services. Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases the selection and approval of counsel and approval of any settlement shall be satisfactory to VITA or the Authorized User against whom the claim has been asserted.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that the provision of Reseller Services under this Contract infringes any third party's intellectual property rights and Contractor is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Contractor shall immediately notify VITA and the affected Authorized User(s) in writing, via certified mail, specifying to what extent Contractor believes it is obligated to defend and indemnify under the terms and conditions of this Contract. Contractor shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit VITA and the affected Authorized User(s) to appear and defend their interests in cooperation with Contractor as is appropriate, including any jurisdictional defenses VITA or the affected Authorized User(s) may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's intellectual property rights by the provision of any of the Reseller Services, or in the event any Reseller Service, in the Contractor's opinion, is likely to become the subject of a claim of infringement, and in addition to all other obligations of Contractor in this Section, Contractor shall at its expense, either (a) procure for all Authorized Users the right to continue use of such infringing Reseller Services, or any component thereof; or (b) replace or modify such infringing Reseller Services, or any component thereof, with non-infringing Reseller Services satisfactory to VITA. And in addition, Contractor shall provide any Authorized User with comparable temporary replacement Reseller Services or reimburse VITA or any Authorized User for the reasonable costs incurred by VITA or such Authorized User in obtaining an alternative service in the event such Authorized User cannot use the affected Reseller Services. If Contractor cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then VITA may, in its sole discretion, terminate this Contract.

**EXCEPT WITH REGARD TO CLAIMS FOR PROPERTY DAMAGE, PERSONAL INJURY OR INFRINGEMENT, AND THE INDEMNIFICATION AND CONFIDENTIALITY OBLIGATIONS, WITH RESPECT TO EACH OF WHICH LIABILITY SHALL NOT BE LIMITED PURSUANT TO THIS SECTION, IN NO EVENT WILL ANY PARTY BE LIABLE TO ANY OTHER PARTY (OR THE INDEMNIFIED PARTIES OF SUCH PARTY) FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING (WITHOUT LIMITATION) LOSS OF PROFIT, INCOME OR SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF, EXCEPT WHEN SUCH DAMAGES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS.**



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## **11. SECURITY COMPLIANCE**

Contractor agrees to comply with all provisions of the then current security procedures of VITA and the appropriate Authorized User(s) as are pertinent to Contractor's operation and have been supplied to Contractor by VITA and the Authorized User(s) and further agrees to comply with all applicable federal, state and local laws. Contractor shall indemnify, defend, and hold VITA, the Authorized User, their officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from VITA, the Authorized User, their officers, directors, agents or employees, on account of the failure of Contractor to perform obligations pursuant to this Section.

## **12. BANKRUPTCY**

If Contractor becomes insolvent, takes any step leading to its cessation as a going concern, fails to pay its debts as they become due, or ceases business operations continuously for longer than fifteen (15) business days, then VITA may immediately terminate this Contract on notice to Contractor unless Contractor immediately gives VITA adequate assurance of the future performance of this Contract. If bankruptcy proceedings are commenced with respect to Contractor, and if this Contract has not otherwise terminated, then VITA may suspend all further performance of this Contract until Contractor assumes this Contract and provides adequate assurance of performance thereof or rejects this Contract pursuant to Section 365 of the Bankruptcy Code or any similar or successor provision, it being agreed by the Parties that this is an executory contract. Any such suspension of further performance by VITA pending Contractor's assumption or rejection shall not be a breach of this Contract, and shall not affect VITA's right to pursue or enforce any of its rights under this Contract or otherwise.

## **13. GENERAL PROVISIONS**

### **A. Relationship between VITA and Contractor**

Contractor has no authority to contract for VITA or in any way to bind or to commit VITA to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of VITA. Under no circumstances shall Contractor, or any of its employees, hold itself out as or be considered an agent or an employee of VITA, and VITA shall have no duty to provide or maintain any insurance or other employee benefits on behalf of Contractor or its employees. Contractor represents and warrants that it is an independent contractor for purposes of federal, state and local employment taxes and agrees that VITA is not responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Contractor. Any and all taxes, interest or penalties, including, but not limited to, any federal, state or local withholding or employment taxes, imposed, assessed or levied as a result of this Contract shall be paid or withheld by Contractor or, if assessed against and paid by VITA, shall be reimbursed by Contractor upon demand by VITA.

### **B. Incorporated Contractual Provisions**

The contractual provisions at the following URL are statutorily mandated provisions that are hereby incorporated by reference:

<http://www.vita.virginia.gov/procurement/documents/StatutorilyMandatedTsandCs.pdf>

The contractual claims provision §2.2-4363 of the Code of Virginia and the required eVA provisions at <http://www.vita.virginia.gov/procurement/documents/eVATsandCs.pdf> are also incorporated by reference.

The terms and conditions in documents posted to the aforementioned URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia or the adoption of revised eVA business requirements. If a change is made to the terms and conditions, a new effective date will be noted in the document title. Contractor is advised to check the URLs periodically.



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**C. Compliance with the Federal Lobbying Act**

Contractor shall not, in connection with this Contract, engage in any activity prohibited by 31 USC 1352 (entitled "Limitation on use of appropriated funds to influence certain Federal Contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act"), and shall promptly perform all obligations mandated by the Lobbying Act in connection with this Contract, including, without limitation, obtaining and delivering to the Commonwealth all necessary certifications and disclosures.

Contractor is hereby advised that a significant percentage of the funds used to pay Contractor's invoices under this Contract may be federal funds. Under no circumstances shall any provision of this Contract be construed as requiring or requesting the Contractor to influence or attempt to influence any person identified in 31 USC 1352(a)(1) in any matter.

Contractor's signed certification of compliance with the foregoing is incorporated as Exhibit D hereto.

**D. Governing Law**

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to that body of law controlling choice of law. Any and all litigation shall be brought in the circuit courts of the Commonwealth of Virginia. The English language version of this Contract prevails when interpreting this Contract. The United Nations Convention on Contracts for the International Sale of Goods and all other laws and international treaties or conventions relating to the sale of goods are expressly disclaimed. UCITA shall apply to this Contract only to the extent required by §59.1-501.15 of the Code of Virginia.

**E. Dispute Resolution**

In accordance with §2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the public body from whom the relief is sought no later than sixty (60) days after final payment; however, written notice of the Contractor's intention to file such claim must be given to such public body at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The relevant public body shall render a final decision in writing within thirty (30) days after its receipt of the Contractor's written claim.

The Contractor may not invoke any available administrative procedure under §2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the decision of the relevant public body on the claim, unless that public body fails to render its decision within thirty (30) days. The decision of the relevant public body shall be final and conclusive unless the Contractor, within six (6) months of the date of the final decision on the claim, invokes appropriate action under §2.2-4364, Code of Virginia or the administrative procedure authorized by §2.2-4365, Code of Virginia.

Upon request from the public body from whom the relief is sought, Contractor agrees to submit any and all contractual disputes arising from this Contract to such public body's alternative dispute resolution (ADR) procedures. Contractor may invoke such public body's ADR procedures, if any, at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

In the event of any breach by a public body, Contractor's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Contractor's remedies include the right to terminate any license or support services hereunder.

**F. Advertising and Use of Proprietary Marks**

Contractor shall not use the name of VITA or the Authorized User or refer to VITA or the Authorized User, directly or indirectly, in any press release or formal advertisement without receiving prior written consent of VITA or the Authorized User. In no event may Contractor use a proprietary mark of VITA or the Authorized User without receiving the prior written consent of VITA or the Authorized User.

**G. Notices**

Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the U.S. mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed to



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the addresses shown on the signature page. Either Party may change its address for notice purposes by giving the other Party notice of such change in accordance with this Section.

**H. No Waiver**

Any failure to enforce any terms of this Contract shall not constitute a waiver.

**I. Assignment**

This Contract shall be binding upon and shall inure to the benefit of the permitted successors and assigns of each party hereto. Contractor may not assign, subcontract, delegate or otherwise convey this Contract, or any of its rights and obligations hereunder, to any entity without the prior written consent of VITA, and any such attempted assignment or subcontracting without consent shall be void. VITA may assign this Contract to any entity, so long as the assignee agrees in writing to be bound by the all the terms and conditions of this Contract.

If any law limits the right of the Parties to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be thirty (30) days after the Contractor gives VITA prompt written notice of the assignment, signed by authorized representatives of both the Contractor and the assignee. Any payments made prior to receipt of such notification shall not be covered by this assignment.

**J. Captions**

The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

**K. Severability**

Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. The Parties further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

**L. Survival**

The provisions of this Contract regarding Transition of Services, General Warranty, Confidentiality, Liability and Indemnification, and Security Compliance and the General Provisions shall survive the expiration or termination of this Contract.

**M. Force Majeure**

Neither Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than thirty (30) calendar days, VITA, by written notice given during the postponement or extension, may terminate Contractor's right to render further performance after the effective date of termination without liability for that termination, and in addition an Authorized User may terminate any order affected by such postponement or delay.

**N. Remedies**

The remedies set forth in this Contract are intended to be cumulative. In addition to any specific remedy, VITA reserves any and all other remedies that may be available at law or in equity.

**O. Right to Audit**

VITA reserves the right to audit those Contractor records that relate to the Microsoft Products and Online Services purchased and Reseller Services rendered or the amounts due Contractor under this Contract. VITA's right to audit shall be limited as follows:

- i). Three (3) years from delivery of Microsoft Products and Online Services or performance of Reseller Services;
- ii). Performed at Contractor's premises, during normal business hours at mutually agreed upon times; and
- iii). Excludes access to Contractor cost information.

In no event shall Contractor have the right to audit, or require to have audited, VITA or the Authorized User.

**P. Entire Contract**

The following Exhibits, including all subparts thereof, are attached to this Contract and are made a part of this Contract for all purposes:

- i). Exhibit A List of Agreements
- ii). Exhibit B Requirements
- iii). Exhibit E Certification Regarding Lobbying
- iv). Appendix C Pricing

This Contract its Exhibits constitute the entire agreement between VITA and Contractor and supersede any and all previous representations, understandings, discussions or agreements between VITA and Contractor as to the subject matter hereof. Any and all terms and conditions contained in, incorporated into, or referenced by the Contractor's proposal shall be deemed invalid. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor's Manual shall not apply to this Contract or any order issued hereunder. This Contract may only be amended by an instrument in writing signed by VITA and Contractor. In the event of a conflict, the following order of precedence shall apply: this Contract document, Appendix C, Exhibit B, Exhibit A.

VITA and Contractor each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.

Executed as of the last date set forth below by the undersigned authorized representatives of the Parties.

Supplier

By: \_\_\_\_\_

(Signature)

Name: Thai Lee

(Print)

Title, Its: CEO

Date: 8/31/07

VITA

By: \_\_\_\_\_

(Signature)

Name: James T. Roberts

(Print)

Title, Its: Director Finance & Administration

Date: 9/6/07

Address for Notice:

\_\_\_\_\_  
**SHI**  
**2 Riverview Drive**  
**Somerset, NJ 08873**

Attention: Erk Schroeder

Address for Notice:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: Contract Administrator

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**EXHIBIT A:**

Contract #	Name
<b>VA-020409-MSE</b>	<b>Microsoft Enterprise Agreement</b>
<b>VA-020819-MSA</b>	<b>Microsoft Select Academic Student Agreement</b>
<b>VA-040204-MCA</b>	<b>Microsoft Academic Licensing Agreement</b>
<b>VA-040204-MCS</b>	<b>Microsoft Select Agreement</b>



## 5. FUNCTIONAL AND TECHNICAL REQUIREMENTS

Suppliers are required to indicate their capability of fulfilling each specific requirement below. Each Supplier's responses will be reviewed and compared across suppliers within each service type in order to determine the best solution for the Commonwealth.

Detailed requirements are presented in questionnaire format to facilitate direct responses and establish accountability regarding delivery of Solution by the Supplier. To respond to each requirement, Supplier is asked to enter, in the space provided in Column A, a code that best corresponds to its intended response for the requirement listed.

The acceptable codes for Column A are as follows:

Y - "Yes" - Supplier can fully meet the requirement as documented with its current application or proposed solution. If applicable, Supplier shall provide in Column B an explanation of how it will fulfill the requirement. This may include use of alliances with other suppliers. Supplier may also use Column B to cross-reference a detailed explanation included in an attachment of its proposal.

F - "Yes, Future" - Supplier will be able to fully meet this requirement in the near future (not longer than six months). Supplier shall provide a proposed start date and cross-reference any attached documentation in Column B.

N - "No" - Supplier cannot meet the requirement and has no firm plans to be in the position to meet this need within six months.

A blank or "NA" in any box in Column A will be interpreted by VITA as an "N".

VITA has posed some open-ended questions. In those instances, Supplier is to provide adequate information to allow VITA to properly evaluate its proposal.

### A. Functional

	Requirements	A	B
1.	<p>Will the LAR maintain at least one full-time, Microsoft Certified Sales Representative, employed by the LAR, and knowledgeable in managing and administering each type of Commonwealth's Software Licensing Agreements?</p> <p>Please provide current staffing proposal.</p>	Y	<p>SHI supports the State of Virginia with a Dedicated Account Team, whose members are Microsoft Sales Certified and understand the terms and conditions of the Microsoft Select and Enterprise Agreements. The members of your Dedicated Account Team are available to assist the State with the management and administration of your Select and Enterprise agreements.</p> <p><b>Account Executive—Erik Schroeder—</b> Erik Schroeder, is a Level I and Level II Microsoft Certified Sales Representative. He has been assisting SHI customers with Microsoft Licensing for the past 10 years. Direct sales related position with a mission of developing relationships with the state and local Government entities and Academic institutions within the State of Virginia. Responsibilities include establishing a customized service and support plan, resolving licensing issues, and constructing a pricing strategy and other topics critical to account development.</p> <p><b>Manager, Inside Sales Support—Laurie</b></p>



			<p><b>Benninger</b> - Coordinates, maintains and manages the activities of the Government and Education Inside Sales Representatives.</p> <p><b>Inside Sales Representative</b>—Maintain direct relationships with the state and local government customers within the State of Virginia and have the responsibility of ensuring customer satisfaction. Functional areas such as pricing, availability, order entry, tracking, returns, product information and expedites are an integral part of their daily activities. They execute the plan established by the Account Executive for the customer.</p> <p>Furthermore, we provide a team of Microsoft Licensing Representatives and Product Champions who are available to assist you with understanding your options, selecting the option that best meets your needs, identifying cost efficiencies for The State, and to answer your licensing and product questions. No other software reseller provides as many resources dedicated to supporting Microsoft Licensing Requirements.</p> <p><b>The SHI Licensing Executives</b> are not only an integral part of the Evaluation Process, but are also available to assist the customer with understanding your current agreements, assisting you with negotiating the renewals, and to provide training to The State and your employees about the benefits of your agreements and the how to purchase from them.</p> <ul style="list-style-type: none"> <li>◆ <b>Kristy Talorico</b></li> <li>◆ <b>Deborah Childress</b></li> <li>◆ <b>Michelle Forister</b></li> <li>◆ <b>Helene Pearn</b></li> </ul> <p><b>Licensing Response Team</b>—these individuals are responsible for answering customer program and product questions; for processing customer agreements and ensuring that the agreements are completed correctly before submission to Microsoft; for processing change of address forms and CD change forms; SA benefits administration; responding to license scenario questions, and for maintaining the database of information that your Account Team Members use to answer your questions and obtain information.</p> <ul style="list-style-type: none"> <li>◆ <b>Andrea Johnson</b></li> </ul>
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			<ul style="list-style-type: none"> <li>◆ Sherrin Richards</li> <li>◆ Jasmine Jones-Bohanan</li> <li>◆ Heather Hinz</li> <li>◆ Caroline Walker</li> </ul> <p><b>Operations Team</b>—are responsible for processing our customers' orders with Microsoft, responding to ordering questions, linking the customer agreement numbers to the customer account keys for accurate order entry and use of the License Management System, responding to accounting issues, processing credits and adjustments as needed, and for administering and managing the Microsoft Select CD orders.</p> <ul style="list-style-type: none"> <li>◆ Danielle Kraft</li> <li>◆ Ilana Zabawa</li> <li>◆ Susan Conti</li> <li>◆ Doug Klamm</li> <li>◆ Kevin Scott</li> </ul> <p><b>Marketing</b>—provide assistance with obtaining evaluation software, introduction of new Microsoft products, and creating marketing pieces and promotions for Microsoft products and agreements.</p> <ul style="list-style-type: none"> <li>◆ Anna Chester</li> <li>◆ Bill Wyckoff</li> </ul> <p><b>Product Champions</b>—main points of contact for product questions, licensing questions for specific products, and creating marketing pieces for specific Microsoft products</p> <ul style="list-style-type: none"> <li>◆ Steve Maiorano</li> <li>◆ Autumn Phan</li> <li>◆ Lisa Levin</li> <li>◆ Nicole Schrage</li> <li>◆ Rosemarie Pieper</li> <li>◆ April Roll</li> </ul>
2.	<p>Does the LAR process all Enrollment Forms within 24 hours prior to placing Authorized User's contract order?</p> <p>Please provide details.</p>	Y	<p>Your Account Team works in conjunction with SHI's License Response Team to process all enrollments and amendments within 24 hours. Your Account Executive will work with each Authorized User to ensure that these forms are completed accurately the first time, and ensure that when SHI receives your enrollment it has been completely correctly. By taking the time upfront to educate customers on the enrollment forms, we can reduce errors in submission and agencies needing to resubmit paperwork.</p> <p>If the form cannot be processed because</p>

			<p>information is missing or incorrect, a member of your Account Team will contact the State to assist with proper completion of the form.</p> <p>Microsoft has completed an evaluation of all of their software resellers. Based on SHI's performance against Microsoft's stringent guidelines with respect to contract execution, order management, and reporting capabilities, Microsoft awarded SHI with their Award for Excellence in Operations for 2006. This honor represents the 6th time that SHI's Licensing Team has received formal recognition from Microsoft Licensing GP, having won "Best Overall Scorecard Performance" and the Operational Excellence Award in five previous years.</p>
3.	<p>Does the LAR have a website to assist Authorized Users in independently obtaining product information, to include at a minimum: Product number, product name, ERP, percentage discount, and discount price? The information is to be maintained by the LAR.</p> <p>If able, please provide a link for demonstration as well as further details.</p>	Y	<p>SHI views support for our customers' electronic procurement initiatives as critical to our success. As our customers move to deploy these systems to automate and improve their procurement practices, we are committed to providing efficient, timely support to them to ensure that these efforts are a success. Both customers and solution providers recognize SHI as a leader in E-commerce technology. SHI is willing and able to integrate with any existing procurement system, open or proprietary. SHI has created over one dozen interfaces for customers' proprietary procurement systems. Our implementation process is rapid; SHI can build support for your proprietary system in as little as 2 weeks. Some of our current customers require support for up to 5 different procurement systems.</p> <p><b><i>YourHome@shi.com</i></b></p> <p>Your Home is designed to provide your organization with the information you need to manage your IT procurement needs quickly, easily, and effectively. SHI customers can choose from a pallet of features to build an optimum feature set for procurement via our web site. Your Account Executive has direct access for immediate implementation of any of these features, resulting in quick adaptation to your best e-purchasing environment</p> <p><b><i>Basic Features</i></b></p> <p>While Your Home offers advanced</p>



		<p>functionality, we understand that your organization still requires all of the basic features you need to order products and track your shipments.</p> <ul style="list-style-type: none"> <li>• <b>Product Catalogs</b>—Each customer at SHI has their own custom catalog, built by their sales team to reflect their unique needs. Your sales team will use SHI's master catalog of more than 250,000 part numbers to create a custom catalog that reflects the products you want to see at the pricing contracted between your organization and SHI, including your volume purchase programs and custom SKU's.</li> <li>• <b>Your organization's Standards</b>—SHI offers support for your organization's defined set of standard products. We allow users of the site to narrow their search to only the corporate standards instead of the broader catalog to allow the user to find the common products more rapidly. In addition, our site's security features allow customers to designate some users who can only purchase standards products, while permitting others to access the full your organization catalog.</li> <li>• <b>Product Details and Inventory</b>—Once the customer has located the product in which he is interested, he can click on the links to product details and inventory. The details link brings the customer to box shots when available, product features, hardware and/or software requirements, and much more. The inventory link provides the customer with real-time product availability in all of SHI's distribution centers.</li> <li>• <b>Shopping Cart</b>—As the customer selects product, he can add them to a simple, familiar shopping cart. Once the customer has finished shopping, he can save the items in the shopping cart for a later visit or place the order immediately with SHI.</li> <li>• <b>Quotes</b>—the user can assemble items within the shopping cart to be saved as a quote, which SHI will honor for 30 days from the time the quote is saved. At any time during that 30-day period, the customer can turn the quote into an order.</li> <li>• <b>Order Tracking</b>—Your Home provides you with the tracking numbers for your</li> </ul>
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			<p>orders. SHI receives tracking information for most of the orders we process. When this information is available to us, we in turn make it available to you while you are checking the status of your orders via the web. We also provide links to the carrier's web page for automated shipment tracking.</p> <ul style="list-style-type: none"> <li>• <b>Report Factory</b>—connects your organization to your information when you need and how you want it. Authorized users can run reports directly from Your Home and deliver those reports to you as Email attachments (Microsoft Excel, HTML, tab delimited text files, or fixed width text files). Over 95% of our Report Factory reports are delivered to the customer within 5 minutes.</li> </ul> <p>To preview your site on SHI.Com, log on to <a href="http://www.shi.com">www.shi.com</a></p> <p>User ID: stateva</p> <p>Password: software</p>
4.	<p>Can the LAR Contractor provide requested written and/or oral contract quotations to Authorized Users, which includes at least:</p> <p>Product Number</p> <p>Product Name</p> <p>Quantity</p> <p>ERP</p> <p>Discount Price</p> <p>Agreement/Enrollment</p> <p>Contract Number</p> <p>Please provide example if possible.</p>	Y	<p>SHI's QuoteSystem integrates with your License Agreements to ensure Quote Accuracy with your License Program, Level and Discounts. SHI's quotes include all the information listed here. Your Account Team will include product or program notations that may apply to each purchase. For web users, quotes can be posted to <a href="http://www.shi.com">www.shi.com</a> for an individual user, so that he/she can purchase the items over the website.</p> <p>Please see example of SHI Quote.</p>
5.	<p>Can the LAR Contractor generate and issue an electronic "Order Confirmation Report" for each software product (i.e., license and/or maintenance) ordered by an Authorized User? This report should be issued for purchases, including those orders that may be aggregated on a single purchase order</p>	Y	<p>SHI sends an order confirmation with each order that we process. The confirmations are sent via Email to the Email address(es) indicated on the customer's order, up to an unlimited number.</p> <p>SHI's Order Acknowledgements also include the Product Key Codes for each individual enrollment, so that the Authorized User will have the key code for installation of the software. By providing this key code on the</p>

	<p>document, and provided to the Authorized User within ten (10) business days after such order confirmation is received or at Authorized User's request, and should include, at a minimum, the following:</p> <p>The name of Authorized User (ordering entity)</p> <p>Authorized User's purchase order number to Contractor</p> <p>Contractor's purchase order number to Microsoft</p> <p>Microsoft Master Agreement Number</p> <p>Microsoft Enrollment Number</p> <p>Detailed list of software product(s) ordered</p> <p>Quantity of each software product(s) ordered</p> <p>Please provide example if possible.</p>		<p>order confirmation, the number of calls to helpdesk, enrollment administrators, and the State's Procurement Office is lowered.</p> <p>SHI's Order Confirmations are customizable. We can add additional information or comments for all State of Virginia Microsoft Orders.</p> <p>Please see example of SHI Order Acknowledgement.</p>
6.	<p>Are there any services that you can offer that will add additional value for authorized users?</p> <p>Please explain.</p>	Y	<p>Through our experience in working with State and Local Government and Education customers, we have learned to treat each agency as a separate customer. Each agency may have specific needs in order to run their operation efficiently and SHI understands and adapts to their needs.</p> <p>We provide the following services for all State and Education entities:</p> <p><b>Customized Order Entry/Reporting Fields</b> – Some customers may have certain information such as departmental codes or buying units that they would like SHI to collect and maintain so we can send them reports including this data. SHI can create customized fields based on a single account (buying unit), a group of accounts within a City, County, Education Institution or State Agency, or State-Wide.</p> <p><b>ENewsletter</b> – SHI creates a monthly newsletter with Microsoft Product Releases, Program Changes, and Promotions to all Authorized Users who are interested in receiving this information.</p> <p><b>Webinars</b> – SHI partners with Microsoft to conduct webinars throughout the month on new products, solutions, and licensing program changes. Authorized Users will be</p>



			<p>invited to attend these webinars.</p> <p><b>Road Shows</b> – SHI partners with the local Microsoft teams to conduct local trainings. These trainings are usually conducted throughout the state during the year. Authorized Users within each region will be invited to attend the trainings.</p>
7.	<p>Are there any additional reports that you can provide examples of that would add additional value to the Commonwealth?</p> <p>Please provide examples.</p>	Y	<p><b>Your reporting options through SHI are unlimited.</b> Based on our experience with other statewide contracts, SHI fully understands your need for flexibility in reporting, as well as your need for reports from the highest organizational level to the most granular. We have created our databases to remain flexible enough to be able to incorporate any organizational structure and to provide reports on any level within the organization.</p> <p>We begin with the most granular reporting level, in the case of State of Virginia, the ordering unit. SHI then groups the ordering units into the next level within your organization. The entities within that level will be grouped for form the next reporting level, and so on until we reach the statewide level. In addition to providing reports based on the organizational levels within the State, SHI also provides reports based on any combination.</p> <p>SHI captures very detailed information about each transaction that we process. In addition to the standard fields that SHI captures, we will create <b>custom fields</b> for the State of VA in which we can capture any additional data that may be helpful to you for either reporting or invoicing. <b>SHI's systems can accommodate an unlimited number of custom data fields.</b></p> <p>SHI's reports are available on a quarterly and monthly basis, as well as ad hoc—you choose the timeframe.</p> <p>Using the extensive data options that SHI offers, the State of Virginia will receive the data that you need to analyze your purchases, track your software assets, and make informed purchasing decisions.</p>

			<p><b>The Basic Report Formats Include:</b></p> <p>SHI will provide these reports in any time frame that you require, and in one of three formats: <i>detail</i> of all transactions, <i>summary</i> by part number, or <i>summary</i> by manufacturer name.</p> <ul style="list-style-type: none"> <li>⇒ <b>Spend by Manufacturer</b> – summary of total dollars spent in period with one specific manufacturer, all manufacturers or a sub-set thereof.</li> <li>⇒ <b>Spend by Product</b> – summary of total dollars spent in period for one specific product, all products, or sub-set thereof.</li> <li>⇒ <b>Spend by Product Type</b> – Using UNSPSC data, SHI can provide a summary of total dollars spent in period for server software vs. desktop applications, or word processing software vs. graphics software.</li> <li>⇒ <b>Spend by Organization, Enterprise, Conglomerate</b> – again, each of the above reports can be pulled based on any level within your organization.</li> </ul> <p><b>Software Licensing Reports</b></p> <p>SHI has established itself as the most effective License provider based on its reporting excellence. Our capabilities will relieve the State of the burdensome requirements of these agreements. These reports can consolidate all of your license agreements, or focus on a single program.</p> <ul style="list-style-type: none"> <li>⇒ <b>Global Summary</b> - Perfect for the Contract Administrator, the Global Summary report summarizes all of the purchases under a particular agreement(s).</li> <li>⇒ <b>Organizational Summary</b> - This report provides part number purchase summary based upon agency, department, county, or other state-defined entity.</li> <li>⇒ <b>Program Statement</b> - This report provides detailed information on all transactions for the programs selected.</li> <li>⇒ <b>VPA Milestone</b>—Review your performance against your license contract requirements. This report provides a summary of your purchases for contract milestone comparisons—by point value, quantity, or dollar value, depending</li> </ul>
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			upon your contract terms.
8.	Are there any additional service enhancements that you can offer? Please provide clear details.	Y	<p><b>Electronic Media Fulfillment</b> – This “pull technology” will allow customers to receive the data required to feed into their internal electronic software distribution servers or to create their own CD's for major licensing programs, including Microsoft Select, IBM/Lotus Passport Advantage, and others.</p> <p>SHI can make files available on the server as CD Images, or as Compressed File archives. These can be used to burn a CD at the customer site, or load a customer's internal servers or software distribution systems.</p> <p><b>Benefits of SHI's Media Fulfillment Service include:</b></p> <ul style="list-style-type: none"> <li>⇒ Assistance for internal company support or site administrators in acquiring the media to fulfill licensing programs. This should reduce or eliminate the need for multiple CD subscriptions to support satellite offices for your Volume Licensing Programs.</li> <li>⇒ A fully electronic licensing transaction</li> <li>⇒ Security provided with customer specific user names and passwords for the Electronic Licensing Fulfillment Servers. These usernames and passwords will allow the user to see and access only those products that are covered by the licensing programs in which they are enrolled.</li> </ul> <p><b>Electronic Application Distribution (EAD)</b>—This “push technology” allows us to integrate with your IT Organization and come up with a process that delivers the product directly to an end-user. This offering sends a secure download key for a specific product so the end-user is not presented with any options.</p> <p>Recent developments in technology and the business environment have made the ability</p>

			<p>to purchase software through an electronic delivery mechanism increasingly attractive. Your company can enjoy a tremendous reduction in costs by eliminating expenses associated with shipping, receiving and delivery.</p> <p><b>Integration with eCommerce</b></p> <p>SHI's open architecture systems allow us to integrate with virtually any eCommerce platform, whether through market leaders or a proprietary solution.</p> <ul style="list-style-type: none"> <li>• Ariba</li> <li>• Perfect Commerce</li> <li>• SAP</li> <li>• OBI</li> <li>• PeopleSoft</li> <li>• Oracle</li> <li>• EDI</li> <li>• Other Solutions using cXML, xCBL, or EDI standards</li> </ul> <p>We would be happy to work with the State of Virginia to integrate SHI.COM with EVA.</p> <p><b>License Redeployment Management Service</b>—Most large customers are looking for solutions to reduce the total cost of ownership of their computer hardware and software. In an effort to assist our customers in this task, SHI has a program that will manage the redeployment of unused software licenses. This Service/Tool will allow an end-user may "turn-in" a software license that he or she no longer uses. SHI will warehouse this license under a specific sku for that Government Agency or Education Institution and will advertise its availability to other buyers within that entity. If another employee decides to take the unused license, SHI will "re-deploy" that software License. The customer may also choose to purchase any necessary media and documentation available to supplement the license. In addition, if an older version of the license is re-deployed, the buyer may purchase the upgrade and/or maintenance (if available) and that entity should still realize significant cost savings over the purchase of a new license.</p>
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## EXHIBIT E: CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- v). No Federal appropriated funds have been paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- vi). If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- vii). The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature: \_\_\_\_\_



Printed Name: \_\_\_\_\_

Thai Lee

Organization: \_\_\_\_\_

SHI

Date: \_\_\_\_\_

8/31/07



**RFP 2007-10 Commonwealth of Virginia, Pricing Request****Please Populate  
Shaded Regions****Appendix C - Pricing Submittal**

Contractor Name: Erik Schroeder  
Email Address: erik\_schroeder@shi.com  
Organization: Software House Intl

Description			
List one (1) firm fixed Percentage Discount off of Microsoft Estimated Retail Price (ERP) List in the "Discount Amount off the Microsoft ERP" block to be applied to each of the Commonwealth of Virginia (COV) Microsoft Agreements listed below:			
	<b>QTY</b>	<b>UNIT</b>	<b>Discount Amount</b>

Discount amount offered for Enterprise (Level D) off of the most current Virginia Microsoft Reference Price.

1 Lot

17.65%

Discount amount offered for Select (Level D) off of the most current Virginia Estimated Retail Price (ERP)

1 Lot

17.65%

Discount amount offered for Academic Select (Level A) off of the most current Virginia Academic ERP

1 Lot

17.65%

**Note:**

1. The Code of Virginia Section 2.2-4331B prohibits the award of a public contract on the basis of "Cost-Plus a Percentage of Cost", except in the case of an emergency.

**Note:**

2. Prices submitted shall include Industrial Funding Adjustments (IFA)